

Below is an order of the court.



TERESA H. PEARSON
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re

Magno, L.L.C.

Debtor.

Case No. 23-32834-thp11

**ORDER CONFIRMING DEBTOR'S
PLAN OF REORGANIZATION
PURSUANT TO 11 U.S.C. § 1191(b)**

Debtor's Plan of Reorganization (March 5, 2024) [ECF No. 63/65] (the "Plan") came on for hearing on April 30, 2024 and May 1, 2024. An objection was filed by Jeffrey Bowden [ECF No. 73]. The Court entered its ruling on the Plan and the objection at a hearing on May 15, 2024. The Court having heard and considered the evidence introduced at the hearing, the arguments of counsel, and the records in this case; now, therefore,

THE COURT HEREBY FINDS AND CONCLUDES that:

A. This Court has jurisdiction over this case pursuant to 28 U.S.C. §§ 157 and 1334. Confirmation of the Plan is a core proceeding under 28 U.S.C. § 157(b)(2). Venue is properly before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. Notice of the confirmation hearing was provided to creditors and other parties in interest pursuant to Bankruptcy Rules 2002 and 3020, and the *Order Fixing Time for Filing*

Acceptances or Rejections of Plan; and Notice of Confirmation Hearing (the “Order Fixing Time”) [ECF No. 64]; such notice was reasonable, adequate, and sufficient.

C. Ballots were transmitted and served in compliance with the Bankruptcy Code, the Bankruptcy Rules, and the Order Fixing Time. Votes for acceptance of the Plan were solicited in good faith and in compliance with Sections 1125 and 1126 of the Bankruptcy Code and Bankruptcy Rules 2002 and 3018.

D. The Plan, subject to the terms set out immediately below, complies with the applicable provisions of the Bankruptcy Code and satisfies Section 1129(a)(1) of the Bankruptcy Code. The Plan complies with the classification and other requirements of Bankruptcy Code Sections 1122 and 1123.

E. Debtor has complied with all applicable provisions of the Bankruptcy Code, Bankruptcy Rules, and Local Bankruptcy Rules, and has satisfied Section 1129(a)(2) of the Bankruptcy Code.

F. The Plan was proposed in good faith and not by any means forbidden by law, and Section 1129(a)(3) of the Bankruptcy Code has been satisfied.

G. Section 1129(a)(4) of the Bankruptcy Code has been satisfied because all of Debtor's payments for services or costs and expenses have been approved or will be made with Court approval.

H. Debtor has disclosed the identity and affiliation of any individual proposed to serve, after confirmation of the Plan, as a director or officer of Reorganized Debtor, and the appointment to, or continuance in, such office of such individual is consistent with the interests of creditors and equity security holders and with public policy. Debtor has disclosed the identity of any insider that will be employed or retained by Reorganized Debtor and the nature of any compensation for such insider. Therefore, Bankruptcy Code Section 1129(a)(5) has been satisfied.

I. No governmental regulatory commission has jurisdiction over the rates of Debtor, and Bankruptcy Code Section 1129(a)(6) is not applicable.

J. Bankruptcy Code Section 1129(a)(7) has been satisfied because each holder of a Claim in an impaired class of claims has accepted the Plan or will receive or retain under the Plan on account of such Claim property of a value as of the Effective Date of the Plan that is not less than the amount such holder would receive or retain if Debtor was liquidated under Chapter 7.

K. Bankruptcy Code Section 1129(a)(8) has not been satisfied because all impaired classes did not accept the Plan. Nonetheless, the Plan is confirmed because it meets the requirements of Bankruptcy Code Sections 1191(b), because it does not discriminate unfairly and is fair and equitable.

L. Bankruptcy Code Section 1129(a)(9)(A) is satisfied because the Plan provides that Administrative Expense Claims will be paid in full in cash on the later of the Effective Date or the date on which such Claims are approved by the Court, unless different treatment is agreed to. Section 1129(a)(9)(B) does not apply. Sections 1129(a)(9)(C) and (D) are satisfied because the Plan provides for payment in full of Washington County's Allowed Claims over a period not later than five years after the Petition Date and in a manner not less favorable than the most favored nonpriority unsecured claim provided for by the Plan.

M. At least one class of impaired claims has accepted the Plan and Bankruptcy Code Section 1129(a)(10) is satisfied.

N. Bankruptcy Code Section 1129(a)(11) is satisfied because confirmation of the Plan is not likely to be followed by the liquidation or further financial reorganization of Debtor.

O. All fees payable under 28 U.S.C. § 1930 have been paid or, pursuant to 28 U.S.C. § 1930(a)(6)(A) and (B), in a case under Subchapter V, Debtor does not pay such fees. The Plan, therefore, satisfies Bankruptcy Code Section 1129(a)(12).

P. Bankruptcy Code Sections 1129(a)(13) – (16) do not apply to the Plan.

IT IS HEREBY ORDERED that:

1. The Plan, a copy of which is attached hereto as **Exhibit 1**, is confirmed in all respects pursuant to 11 U.S.C. §§ 1129(a) and 1191(b). All objections have either been overruled or are addressed in this Order. Capitalized terms used but not defined in this Order shall have the meaning assigned to them in the Plan.

2. The Plan is hereby amended as follows:

a. The last sentence of Section 6.2 is stricken and replaced with: “On the 21st day following the end of each calendar quarter, Debtor shall provide quarterly financial reports to PacWest reflecting Debtor’s revenue and expenses and including evidence of insurance and property taxes paid. Debtor’s obligation to maintain a minimum debt service coverage ratio shall be stricken. Except as provided for in the Plan, the terms of PacWest’s loan documents with Debtor shall remain in effect.”

b. The last sentence of Section 13.6 is revised to state: “Notwithstanding anything herein, Debtor reserves the right to prepay Allowed Claims without penalty.”

c. Section 13.8 is revised to state: “In the event and to the extent that any provision of the Plan is inconsistent with any other instrument or agreement incorporated into or contemplated to be executed pursuant to the Plan, the provisions of the Plan shall control and take precedence.”

d. Section 13.10 is added to state: “Pursuant to Bankruptcy Code Section 1123(a)(6), the charter of Debtor or its successor will prohibit the issuance of nonvoting equity securities.”

e. Section 13.11 is added to state: “Pursuant to Debtor’s Second Amended and Restated Operating Agreement, no distribution may be made to [Debtor’s] Member, if after giving effect to the distribution, in the judgment of the Member, either (1) [Debtor] would not be able to pay its debts as they become due in the ordinary course of business or (2) the fair value of the total assets of [Debtor] would not at least equal its total liabilities.”

3. This Court shall retain jurisdiction to resolve any controversy or claim as set forth in the Plan.

4. All claims and causes of action of Debtor or Debtor's estate, including all claims and causes of action arising from or under Chapter 5 of the Bankruptcy Code, are expressly preserved. This Order shall not be a bar, nor have any adverse effect due to issues of standing, res judicata, or otherwise, to the Reorganized Debtor's pursuit of such claims and causes of action.

5. Debtor, Reorganized Debtor, and their agents and officers, are hereby authorized and directed to take all actions, and enter into and execute all documents, reasonably necessary or appropriate to effectuate the Plan and to consummate the transactions contemplated by the Plan or this Order.

6. Pursuant to 11 U.S.C. § 1191(b), confirmation of this Plan does not discharge any debt provided for in his Plan until the Bankruptcy Court grants a discharge on completion of all payments due pursuant to the Plan.

7. If there is any conflict between the Plan and this Order, the terms of this Order shall control.

8. To the extent any provision designated herein as a finding of fact is more properly characterized to be a conclusion of law, it shall be so deemed, and vice versa.

9. This Order shall be deemed to be in recordable form, and shall be accepted by any recording officer for filing and recording purposes without further or additional orders, certifications or other supporting documents.

#

I certify that I have complied with the requirements of LBR 9021-1(a).

Presented by:

TONKON TORP LLP

By /s/ Ava Schoen

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UNITED STATES BANKRUPTCY COURT
 DISTRICT OF OREGON

In re

Magno, L.L.C.

Debtor.

Case No. 23-32834-thp11

**DEBTOR'S PLAN OF
 REORGANIZATION PURSUANT TO
 SUBCHAPTER V UNDER CHAPTER
 11 (MARCH 5, 2024)**

Magno, L.L.C., as debtor and debtor-in-possession ("Debtor"), proposes the following
 Plan of Reorganization Pursuant to Subchapter V under Chapter 11 pursuant to Section 1189 of
 Title 11 of the United States Code.

This Plan provides for the repayment of Debtor's obligations to its Creditors. As set forth
 in greater detail in Articles 3-6, the Plan provides for payment to all Creditors in the full amount
 of their Allowed Claims.

Because Debtor constitutes a "small business debtor" under Section 101(51D) of the
 Bankruptcy Code that has elected to be administered pursuant to Subchapter V of the Bankruptcy
 Code, Debtor is not required to obtain approval of a disclosure statement prior to soliciting votes

1 from Creditors and Interest Holders unless the Bankruptcy Court, for cause, orders otherwise.

2 The Bankruptcy Court has not done so.

3 Debtor seeks your vote to accept the Plan. If you have questions about how your Claim
4 or Interest is being treated under the Plan, Debtor recommends that you discuss the Plan with an
5 attorney.

6 Your ballot stating how you are voting on the Plan must be received by Debtor, c/o
7 Tonkon Torp, LLP, Attn: Ava Schoen, 888 SW Fifth Ave., Suite 1600, Portland, OR 97204, no
8 later than April 23, 2024. If the Plan is confirmed, you will receive a distribution on account of
9 your Allowed Claim and will be subject to the injunction imposed by the Confirmation Order.

10 In addition to casting your vote to accept or reject the Plan, you may object to
11 confirmation of the Plan. If you wish to object to confirmation of the Plan, you must do so by
12 April 23, 2024.

13 The confirmation hearing will be held on April 30, 2024 at 1:00 PM. The location of the
14 hearing will be at US Bankruptcy Court, Courtroom #4, 1050 SW 6th Ave., 7th Floor, Portland,
15 OR 97204.

16 ARTICLE 1

17 DEFINITIONS

18 Definitions of certain terms used in this Plan are set forth below. Other terms are defined
19 in the text of this Plan. In either case, when a defined term is used, the first letter of each word in
20 the defined term is capitalized. Terms used and not defined in this Plan shall have the meanings
21 given in the Bankruptcy Code or Bankruptcy Rules, or otherwise as the context requires. The
22 meanings of all terms shall be equally applicable to both the singular and plural, and masculine
23 and feminine forms of the terms defined. The words "herein," "hereof," "hereto," "hereunder,"
24 and others of similar import, refer to the Plan as a whole and not to any particular section,
25 subsection or clause contained in the Plan. Captions and headings to articles, sections and
26 exhibits are inserted for convenience of reference only and are not intended to be part of or to

1 affect the interpretation of the Plan. The rules of construction set forth in Section 102 of the
 2 Bankruptcy Code shall apply. In computing any period of time prescribed or allowed by the
 3 Plan, the provisions of Bankruptcy Rule 9006(a) shall apply. Any capitalized term that is not
 4 defined herein but is defined in the Bankruptcy Code shall have the meaning ascribed to such
 5 term in the Bankruptcy Code.

6 1.1 "Administrative Expense Claim" means any Claim entitled to the priority afforded
 7 by Sections 503(b) and 507(a)(2) of the Bankruptcy Code.

8 1.2 "Allowed" means, when used to modify the term Claim or Administrative
 9 Expense Claim, either a proof of which has been properly Filed or, if no Proof of Claim was so
 10 Filed, which was or hereafter is listed on the Schedules as liquidated in amount and not disputed
 11 or contingent or an Administrative Expense Claim that Debtor has received by the applicable bar
 12 date, and, in each case, a Claim or Administrative Expense Claim as to which no objection to the
 13 allowance thereof, or motion to estimate for purposes of allowance, shall have been Filed on or
 14 before any applicable period of limitation that may be fixed by the Bankruptcy Code, the
 15 Bankruptcy Rules and/or the Bankruptcy Court, or as to which any objection, or any motion to
 16 estimate for purposes of allowance, shall have been so Filed, to the extent (a) such objection is
 17 resolved between such Claimant and either Debtor or Reorganized Debtor or (b) such claim is
 18 allowed by a Final Order.

19 1.3 "Allowed Secured Claim" means an Allowed Claim that is secured by a lien,
 20 security interest, or other charge against or interest in property in which Debtor has an interest or
 21 that is subject to setoff under Section 553 of the Bankruptcy Code, to the extent of the value (as
 22 set forth in the Plan, or if no value is specified, as determined in accordance with Section 506(a)
 23 of the Bankruptcy Code or, if applicable, Section 1111(b) of the Bankruptcy Code) of the interest
 24 of the holder of such Claim in Debtor's interest in such property or to the extent of the amount
 25 subject to setoff, as the case may be.
 26

1 1.4 "Allowed Unsecured Claim" means an Allowed Claim that is not an Allowed
2 Secured Claim or an Allowed Administrative Expense Claim.

3 1.5 "Avoidance Actions" means, without limitation, any and all actions, causes of
4 action, liabilities, obligations, rights, suits, debts, sums of money, damages, judgments, claims
5 and demands whatsoever, whether known or unknown, in law (including, without limitation,
6 Sections 506(c), 510, 542, 544, 547, 548, 549, 550 and 553 of the Bankruptcy Code or
7 equivalent provisions of applicable non-bankruptcy law), equity or otherwise.

8 1.6 "Bankruptcy Case" mean the case under Chapter 11 of the Bankruptcy Code with
9 respect to Debtor, pending in the District of Oregon, administered as *In re Magno, L.L.C.*, Case
10 No. 23-32834-thp11.

11 1.7 "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended from
12 time to time, set forth in Sections 101 et seq. of Title 11 of the United States Code.

13 1.8 "Bankruptcy Court" means the United States Bankruptcy Court for the District of
14 Oregon, or such other court that exercises jurisdiction over the Bankruptcy Case or any
15 proceeding therein, including the United States District Court for the District of Oregon, to the
16 extent that the reference to the Bankruptcy Case or any proceeding therein is withdrawn.

17 1.9 "Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy
18 Procedure, as amended and promulgated under Section 2075, Title 28, of the United States Code,
19 and the local rules and standing orders of the Bankruptcy Court.

20 1.10 "Business Day" means a day other than a Saturday, Sunday, any legal holiday as
21 defined in Bankruptcy Rule 9006(a), or other day on which banks in Portland, Oregon are
22 authorized or required by law to be closed.

23 1.11 "Cash" means lawful currency of the United States of America and equivalents,
24 including, without limitation, checks, wire transfers and drafts.

25 1.12 "Claim" means (a) any right to payment from Debtor arising before the Effective
26 Date, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed,

1 contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or
 2 (b) any right to an equitable remedy against Debtor arising before the Effective Date for breach
 3 of performance if such breach gives rise to a right of payment from Debtor, whether or not such
 4 right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured,
 5 disputed, undisputed, secured or unsecured.

6 1.13 "Class" means one of the classes of Claims defined in Article 5 hereof.

7 1.14 "Collateral" means any property in which Debtor has an interest that is subject to
 8 a lien or security interest securing the payment of an Allowed Secured Claim.

9 1.15 "Confirmation Date" means the date on which the Confirmation Order is entered
 10 on the docket by the Clerk of the Bankruptcy Court.

11 1.16 "Confirmation Order" means the order of the Bankruptcy Court confirming the
 12 Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

13 1.17 "Creditor" means any entity holding a Claim against Debtor.

14 1.18 "Debtor" means Magno, L.L.C.. as Debtor and Debtor-in-Possession in the
 15 Bankruptcy Case.

16 1.19 "Deficiency Claim" means the portion of a Secured claim that is unsecured.

17 1.20 "Disbursing Agent" means the individual responsible for making payments
 18 pursuant to the Plan.

19 1.21 "Disputed Claim" means a Claim with respect to which a Proof of Claim has been
 20 timely Filed or deemed timely Filed under applicable law, and as to which an objection, timely
 21 Filed, has not been withdrawn on or before the Effective Date or any date fixed for filing such
 22 objections by order of the Bankruptcy Court, and has not been denied by a Final Order and
 23 which Claim has not been estimated or temporarily allowed by the Bankruptcy Court on timely
 24 motion by the holder of such Claim. If an objection related to the allowance of only a part of a
 25 Claim has been timely Filed or deemed timely Filed, such Claim shall be a Disputed Claim only
 26 to the extent of the objection.

1.22 "Effective Date" means the later of May 1, 2024 or the first day of the first full month following the Confirmation Date.

1.23 "Entity" shall have the meaning ascribed to it by Section 101(15) of the Bankruptcy Code.

1.24 "Filed" means filed with the Bankruptcy Court in the Bankruptcy Case.

1.25 "Final Order" means an order or judgment entered on the docket by the Clerk of the Bankruptcy Court or any other court exercising jurisdiction over the subject matter and the parties that has not been reversed, stayed, modified or amended and as to which the time for filing a notice of appeal, or petition for certiorari or request for certiorari, or request for rehearing shall have expired.

1.26 "General Unsecured Claim" means an Unsecured Claim that is not an Administrative Claim, a Secured Claim, a Tax Claim, or an Other Priority Claim.

1.27 "Insider" shall have the meaning ascribed to it by Section 101(31) of the Bankruptcy Code.

1.28 "Interests" means all rights of the owners of the membership interest of Debtor.

1.29 "Other Priority Claim" means any Claim for an amount entitled to priority in right of payment under Section 507(a)(3), (4), (5) (6) or (7) of the Bankruptcy Code.

1.30 "Petition Date" means December 4, 2023, the date on which the petition commencing this Bankruptcy Case was Filed.

1.31 "Plan" means this Plan of Reorganization, as amended, modified, restated or supplemented from time to time.

1.32 "Priority Tax Claim" means a Claim of a governmental unit of the kind entitled to priority under Section 507(a)(8) of the Bankruptcy Code or that would otherwise be entitled to priority but for the secured status of the Claim.

1.33 "Real Property" means the real property located at 8800 SW Commercial St., Tigard, OR and 12970 SW Hall Blvd., Tigard, OR.

1 1.34 "Rejection Claim" means a Claim entitled to be filed as a result of Debtor
2 rejecting an executory contract in this Bankruptcy Case.

3 1.35 "Reorganized Debtor" means Debtor from and after the Effective Date.

4 1.36 "Schedules" means the Schedules of Assets and Liabilities and the Statement of
5 Financial Affairs Filed by Debtor pursuant to Section 521 of the Bankruptcy Code, as amended,
6 modified, restated or supplemented from time to time.

7 1.37 "Scheduled Amounts" means the Claim amounts as set forth in Debtor's
8 respective Schedules.

9 1.38 "Secured Claim" means any Claim against Debtor held by any entity, including,
10 without limitation, an affiliate or judgment creditor of Debtor, to the extent such Claim
11 constitutes a secured Claim under Sections 506(a) or 1111(b) of the Bankruptcy Code. The
12 unsecured portion, if any, of such Claim shall be treated as an Unsecured Claim.

13 1.39 "Subchapter V Trustee" means Kenneth Eiler, the Subchapter V trustee appointed
14 pursuant to Section 1183(a) of the Bankruptcy Code and whose duties are prescribed under
15 Section 1183(b) of the Bankruptcy Code, the Plan, or the order confirming the Plan.

16 1.40 "Unsecured Claim" means a Claim that is not an Administrative Claim, a Secured
17 Claim, a Tax Claim, or an Other Priority Claim.

18 1.41 "Unsecured Creditor" means a holder of an Allowable Unsecured Claim.

19 ARTICLE 2

20 A. History of Debtor's Business Operations

21 Debtor owns a 29,827 square foot light industrial warehouse located at 12970 SW Hall
22 Blvd., Tigard, Oregon 97223 (the "Hall Blvd. Property"), and two industrial warehouses (24,072
23 square foot and 15,000 square foot, respectively) located at 8800 Commercial Street, Tigard,
24 Oregon 97223 (the "Commercial St. Property," together with the Hall Blvd. Property, the "Real
25 Property").
26

Debtor purchased the Hall Blvd Property in approximately 1999; Debtor purchased the Commercial St. Property in approximately 1987. Debtor is also the landlord at the Real Property.

The Hall Blvd. Property is currently leased to two long-term tenants: Finishing First, LLC (“Finishing First”) and Tigard Winsupply (“Winsupply”). Finishing First has been a tenant since 2000; Winsupply has been a tenant since 2012. Each of them has a current lease with Debtor.

The Commercial St. Property is currently leased to long-term tenant, Magno-Humphries, Inc. (“MHI”), which is an affiliated entity of Debtor. MHI has been a tenant since 1987. For the last several years, MHI has been on a month-to-month lease. As of April 1, 2024, MHI is entering into a five-year lease with Debtor.

In 2020, Debtor refinanced its debt on the Real Property and took out a loan in the principal amount of \$3,000,000 from Pacific West Bank (“PacWest”) with a maturity date of September 5, 2030 (the “PacWest Loan”). As security for the PacWest Loan, Debtor executed a Deed of Trust and Assignment of Rents pursuant to which PacWest was granted an interest in the Real Property and all rents associated with the Real Property.

B. Events Leading to the Filing of the Chapter 11 Case

Debtor was involved in litigation with former tenants, Bowden Enterprises and Jeffrey Bowden (together or separately, “Bowden”) beginning in approximately 1999 (the “Bowden Litigation”). The Bowden Litigation ultimately resulted in judgments against Debtor to pay Bowden’s attorney fees. Pursuant to Oregon law, the judgments against Debtor created a lien on Debtor’s Real Property. Bowden asserts a claim for attorney fees in excess of the judgments.

Debtor paid over \$220,000 towards the judgments owed to Bowden but the judgments were not satisfied in full before the Petition Date. In an attempt to collect on a Supplemental Judgment in the principal amount of \$68,077.56, Bowden arranged for a Washington County Sheriff sale of the Commercial St. Property. Debtor filed the Bankruptcy Case to stay the Sheriff’s sale and have the opportunity to confirm a plan of reorganization to repay all creditors in full.

C. Debtor's Post-Petition Performance

Debtor filed for Chapter 11 protection on December 6, 2023, and elected to be administered pursuant to Subchapter V. On or about the Petition Date, Debtor filed applications to employ Tonkon Torp LLP ("Tonkon Torp") and Corbett Accounting Services LLC ("Corbett Accounting"), which applications were approved by the Court. Pursuant to a proposed stipulated order between Debtor and PacWest, the Court entered a stipulated order authorizing Debtor to use cash collateral. On January 23, 2024, the Court held a case management conference.

On January 26, 2024, Bowden filed a motion for relief from stay and a motion to extend the claim bar date, which motions were heard by the Court on February 13, 2024. Pursuant to the Court's Minute Order/Record of Proceedings:

Creditor Jeffrey D. Bowden's motion for relief from stay (ECF No. 42) is DENIED, except to the extent that limited relief from stay is granted to allow Mr. Bowden, if he desires, to file allegations against the garnishee Magno-Humphries, Inc., in state court to preserve his rights before the 1-year statute of limitations runs.... Creditor Jeffrey D. Bowden's motion to extend time to file a proof of claim (ECF No. 43) is GRANTED in part. The deadline for Mr. Bowden to file his proof of claim is extended by 7 days, to February 21, 2024.

[ECF No. 59].

Prior to the commencement of the Bankruptcy Case, PacWest exercised its rights, pursuant to the Assignment of Rents, such that since May 2023, Finishing First and Winsupply have been paying rent directly to PacWest. Finishing First and Winsupply have continued to pay rent directly to PacWest after the Petition Date, which amounts are applied against the PacWest Loan. Since January 2024, Debtor has been collecting \$17,500 per month in rent from MHI. Debtor continues to own and maintain the Real Property.

D. Liquidation Analysis.

To confirm Debtor's Plan, the Court must find that all Creditors and Interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and Interest holders would receive in a Chapter 7 liquidation. Here, creditors will receive at least as much

1 under the Plan as they would in a Chapter 7 liquidation because the Plan proposes to pay all
2 creditors in full. A liquidation analysis is attached to the Plan as **Exhibit 1**.

3 **E. Ability to make future plan payments and operate without further**
4 **reorganization.**

5 To confirm Debtor's Plan, it must show that it will have enough cash over the life of the
6 Plan to make the required Plan payments and maintain the Real Property. Debtor has provided
7 projected financial information as **Exhibit 2**.

8 The final Plan payment is expected to be paid on the fifth anniversary of the Effective
9 Date.

10 **You should consult with your accountant or other financial advisor if you have any**
11 **questions pertaining to these projections.**

12 **ARTICLE 3**

13 **SUMMARY**

14 This Plan proposes to pay creditors of Debtor from rent paid by Debtor's tenants and
15 from the refinance or sale of the Real Property.

16 This Plan provides for three classes of secured claims; one class of priority unsecured
17 claims; one class of non-priority unsecured claims; and one class of Interest holders.

18 All classes of creditors will be paid in full. This Plan also provides for the payment in
19 full of Administrative Expense Claims, as set out in Article 4.

20 All Creditors and Interest holders should refer to Articles 5 through 8 of this Plan for
21 information regarding the precise treatment of their claims.

22 **Your rights may be affected. You should read these papers carefully and discuss**
23 **them with your attorney, if you have one. If you do not have an attorney, you may wish to**
24 **consult one.**

ARTICLE 4

UNCLASSIFIED CLAIMS

Under Section 1123(a)(1), administrative expense claims and priority tax claims are not in classes.

4.1 Administrative Expense Claims.

4.1.1. Administrative Expense Claims representing obligations incurred in the ordinary course of business by Debtor during the Bankruptcy Case shall be paid by Debtor or Reorganized Debtor in the ordinary course of business and in accordance with any terms and conditions of the particular transaction, and any agreements relating thereto.

4.1.2. Administrative Expense Claims also include post-petition fees and expenses allowed to professionals, including the Allowed Claims of Debtor's lawyers and accountant employed upon Bankruptcy Court authority, and the Allowed Claim of the Subchapter V Trustee. These fees and expenses must be noticed to Creditors and approved by the Bankruptcy Court prior to payment.

- (a) Subchapter V Trustee's Allowed Administrative Expense Claim will be paid in full on the Effective Date.
- (b) Corbett Accounting's Allowed Administrative Expense Claim will be paid in full on the Effective Date.
- (c) Tonkon Torp's Allowed Administrative Expense Claim will be paid first from any retainer held by Tonkon Torp on the Effective Date. Tonkon Torp's Allowed Administrative Expense Claim that thereafter remains unpaid will be paid in the amount of \$3,000 per month commencing on the first day of the first month following the Effective Date until Tonkon Torp's Allowed Administrative Expense Claim is paid in full.

4.2 Priority Tax Claims. Each holder of an Allowed Priority Tax Claim shall be paid by Debtor the full amount of its Allowed Priority Tax Claim on the later of the Effective Date or the date the claim is Allowed.

ARTICLE 5

CLASSIFIED CLAIMS

For purposes of this Plan, Claims and Interests are classified as provided below. A Claim is classified in a particular Class only to the extent that such Claim qualifies within the description of the Class, and is classified in a different Class to the extent that such Claim qualifies within the description of such different Class.

5.1 Class 1 (Other Priority Claims). Class 1 consists of all Allowed Other Priority Claims.

5.2 Class 2 (Pacific West Bank). Class 2 consists of the Allowed Secured Claim of PacWest.

5.3 Class 3 (Washington County). Class 3 consists of the Allowed Secured Claim Washington County.

5.4 Class 4 (Jeffrey Bowden). Class 4 consists of the Allowed Secured Claim of Jeffrey Bowden.

5.5 Class 5 (General Unsecured Claims). Class 5 consists of all Allowed Unsecured Claims other than Administrative Expense Claims and Priority Tax Claims.

5.6 Class 6 (Interests). Class 6 consists of the equity Interests of Debtor.

ARTICLE 6

TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS UNDER THE PLAN

6.1 Class 1 (Other Priority Claims). Class 1 is unimpaired. Each holder of an Allowed Class 1 Claim will be paid in full in Cash the amount of its Allowed Class 1 Claim, on the latter of (a) the Effective Date or (b) the date on which such Claim becomes allowed, unless such holder shall agree or has agreed to a different treatment of such Claim (including any

1 different treatment that may be provided for in any documentation, agreement, contract, statute,
 2 law or regulation creating and governing such Claim). Debtor does not believe there are any
 3 Class 1 Claims.

4 6.2 Class 2 (Pacific West Bank). Class 2 is impaired. PacWest will retain its security
 5 interest in and liens upon its Collateral with the same priority and to the same extent such
 6 security interest and liens had as of the Petition Date. PacWest's Claim will be an Allowed
 7 Secured Claim (including interest and fees as provided in section 506(b) of the Bankruptcy
 8 Code). PacWest's Allowed Secured Claim will be paid in full together with interest at a fixed
 9 rate of 9%. Commencing on the 10th day after the Effective Date and continuing on the 10th
 10 day of the following 59 months, PacWest will be paid equal, monthly amortizing payments of
 11 principal and interest based upon a 30-year amortization schedule with a balloon payment of the
 12 unpaid principal plus accrued interest due on the fifth anniversary of the Effective Date (the
 13 "Class 2 Payments"). Notwithstanding the foregoing, from the Effective Date through December
 14 31, 2026, a portion of the Class 2 Payments will be paid to PacWest directly from Tigard
 15 Winsupply and Finishing First in an amount equal to the rent owing by Tigard Winsupply and
 16 Finishing First each month. The remainder of the Class 2 Payments will be paid to PacWest
 17 directly by Debtor. Debtor shall provide evidence to PacWest of payment of insurance and
 18 property taxes.

19 6.3 Class 3 (Washington County). Class 3 is impaired. Washington County will
 20 retain any security interests it has on its Collateral with the same priority to which it is entitled by
 21 law. As permitted by 11 U.S.C. § 1129(a)(9)(D), Washington County's Allowed Secured Claim
 22 will be paid in full within five years of the Petition Date together with interest at the statutory
 23 rate of 16%. Commencing on the Effective Date and continuing on the first day of the following
 24 54 months (or such shorter period of time to the extent Washington County has been paid in
 25 full), Washington County will be paid equal, monthly payments of principal and interest. When
 26

1 Tonkon Torp's Allowed Administrative Expense Claim is paid in full, Washington County will
2 be paid an additional \$3,000 per month until Washington County's Allowed Claim is paid in full.

3 6.4 Class 4 (Jeffrey Bowden). Class 4 is impaired. Jeffrey Bowden will retain his
4 liens upon his Collateral with the same priority and to the same extent such liens had as of the
5 Petition Date. Jeffrey Bowden's Allowed Secured Claim will be paid in full together with
6 interest at a fixed rate of 9%. Commencing on the Effective Date and continuing on the first day
7 of each month thereafter, Jeffrey Bowden will be paid monthly payments of interest only based
8 on a 20 year amortization schedule until all Allowed Administrative Expense Claims are paid in
9 full. On the first day of each month thereafter, Jeffrey Bowden will be paid equal, monthly
10 amortizing payments of principal and interest based on a continuing 20 year amortization
11 schedule, with a balloon payment of the unpaid principal plus accrued interest due on the fifth
12 anniversary of the Effective Date. When Washington County's Allowed Secured Claim is paid
13 in full, Jeffrey Bowden will be paid an additional \$3,000 per month until Jeffrey Bowden's
14 Allowed Secured Claim is paid in full. At closing of a sale or refinance of the Real Property, or
15 upon otherwise being paid in full, Bowden shall (i) release his liens on the Real Property and file
16 full satisfactions of judgment in the Circuit Court for the State of Oregon for the County of
17 Washington in Case No. C990586CV and in Case No. C136320CV. Payment to Jeffrey
18 Bowden, as set forth herein, shall extinguish all of Bowden's causes of action, damages, costs,
19 attorney's fees, claims, or any other demands arising from or related to rents owing or paid in
20 connection with the Real Property.

21 6.5 Class 5 (General Unsecured Claims). Class 5 is impaired. Holders of Allowed
22 Class 5 Claims will be paid in full with interest at the federal judgment rate on the fifth
23 anniversary of the Effective Date.

24 6.6 Class 6 (Interests). Class 6 is unimpaired. All existing Interest holders shall
25 retain the Interests they held on account of their prior equity Interests.
26

1 **ARTICLE 7**

2 **ALLOWANCE AND DISALLOWANCE OF CLAIMS**

3 7.1 Disputed Claims; Objections to Claims. Only Claims that are Allowed shall be
 4 entitled to distributions under the Plan. Debtor reserves the right to contest and object to any
 5 Claims and previously Scheduled Amounts, including, without limitation, those Claims and
 6 Scheduled Amounts that are specifically referenced herein, are not listed in the Schedules, are
 7 listed therein as disputed, contingent and/or unliquidated in amount, or are listed therein at a
 8 different amount than Debtor currently believes is validly due and owing. Unless otherwise
 9 ordered by the Bankruptcy Court, all objections to Claims and Scheduled Amounts (other than
 10 Administrative Expense Claims) shall be Filed and served upon counsel for Debtor and the
 11 holder of the Claim objected to on or before the later of (a) 45 days after the Effective Date or
 12 (b) 60 days after the date (if any) on which a Proof of Claim is Filed in respect of a Rejection
 13 Claim or Deficiency Claim. The last day for filing objections to Administrative Expense Claims
 14 shall be set pursuant to a further order of the Bankruptcy Court. All Disputed Claims shall be
 15 resolved by the Bankruptcy Court, except to the extent that (a) Debtor may otherwise elect
 16 consistent with the Plan and the Bankruptcy Code or (b) the Bankruptcy Court may otherwise
 17 order.

18 7.2 Subsequent Allowance of Disputed Claims. The holder of a Disputed Claim that
 19 becomes Allowed in full or in part subsequent to the Effective Date shall receive Cash
 20 distributions on the next distribution date set forth in its class following the allowance of such
 21 Disputed Claim.

22 7.3 Distributions. Reorganized Debtor will make initial and further distributions as
 23 required by the Plan to all Allowed Claims. No Cash or other property shall be distributed under
 24 the Plan on account of any Disputed Claim, or a portion of any such Claim, unless and until such
 25 Disputed Claim becomes an Allowed Claim.
 26

7.4 De Minimis Post-Effective Payments. If a Cash payment to be made to a holder of an Allowed Claim after the Effective Date would be \$20 or less in the aggregate, no such payment will be made to the holder of such Claim, unless and until the aggregate distribution on account of such Claim would be at least \$20 at a subsequent distribution date.

ARTICLE 8

MEANS FOR EXECUTION OF PLAN

8.1 Revesting. Except as otherwise expressly provided herein, on the Effective Date, all property and assets of the estate of Debtor shall revest in Reorganized Debtor, free and clear of all claims, liens, encumbrances, charges, and other Interests of Creditors arising on or before the Effective Date, and Reorganized Debtor may operate, from and after the Effective Date, free of any restrictions imposed by the Bankruptcy Code or the Bankruptcy Court.

8.2 Payment of Claims. Reorganized Debtor will be the Disbursing Agent charged with paying and will pay Allowed Claims pursuant to the Plan.

8.3 Equity Interests. All equity Interests in Debtor will remain in place as of the Effective Date.

8.4 Setoffs. Debtor may, but shall not be required to, set off against any Claim and distributions to be made pursuant to the Plan in respect of such Claim, any claims of any nature whatsoever which Debtor may have against the holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release of any such claim Debtor may have against such holder.

8.5 Corporate Action. Upon entry of the Confirmation Order by the Clerk of the Bankruptcy Court, all actions contemplated by the Plan shall be authorized and approved in all respects (subject to the provisions of the Plan), including, without limitation, the execution, delivery and performance of all documents and agreements relating to the Plan, if any, and any of the foregoing. On the Effective Date, the appropriate officers of Reorganized Debtor are

1 authorized and directed to execute and deliver the agreements, documents and instruments
2 contemplated by the Plan, if any, in the name of and on behalf of Reorganized Debtor.

3 8.6 Saturday, Sunday, or Legal Holiday. If any payment or act under the Plan is
4 required to be made or performed on a date this is not a Business Day, then the making of such
5 payment or the performance of such act may be completed on the next Business Day, but shall be
6 deemed to have been completed as of the required date.

7 8.7 Event of Default; Remedy. Any material failure by Reorganized Debtor to
8 perform a term of this Plan, which failure continues for a period of 30 days following receipt by
9 Reorganized Debtor, with a copy to Debtor's counsel, of written notice of such default from the
10 holder of an Allowed Claim to whom performance is due, shall constitute an Event of Default.
11 Upon the occurrence of an Event of Default, the holder of an Allowed Claim to whom
12 performance is due shall have all rights and remedies granted by law, this Plan or any agreement
13 between the holder of such Claim and Debtor or Reorganized Debtor. An Event of Default with
14 respect to one Claim shall not be an Event of Default with respect to any other Claim.

15 8.8 Feasibility of Plan. In order to confirm the Plan and for the Plan to become
16 effective on the Effective Date, the Bankruptcy Court must find that the Plan is feasible pursuant
17 to section 1129(a)(11) of the Bankruptcy Code, which requires the Bankruptcy Court to
18 determine that confirmation of the Plan is not likely to be followed by a liquidation or the need
19 for further financial reorganization of Debtor or any successor to Debtor, unless such liquidation
20 or reorganization is proposed in the Plan. Debtor's Plan is a reorganization plan that does not
21 propose to liquidate assets or to further reorganize or reconstitute itself after the Effective Date.
22 Debtor's Plan will be funded by (i) rental income from its tenants and (ii) the refinance of the
23 Real Property or the sale of one or both of the Real Properties on or before the fifth anniversary
24 of the Effective Date, which will provide Reorganized Debtor with (i) sufficient available cash to
25 make distributions on account of Allowed Claims as set forth in the Plan and (ii) sufficient
26 capital to continue operations.

8.9 Conditions Precedent to Effectiveness of Plan. The following conditions must occur and be satisfied for the Plan to become effective, notwithstanding the Effective Date:

(a) The Bankruptcy Court shall have entered the Confirmation Order, in the form and substance reasonably satisfactory to Debtor, which shall, among other things, (i) find that the Plan complies with all applicable requirements of the Bankruptcy Code, (ii) decree that the Confirmation Order shall supersede any court orders issued prior to the Confirmation Date that may be inconsistent therewith, and (iii) provide that any and all executory contracts and unexpired leases that are assumed and/or assigned pursuant to the Plan shall remain in full force and effect for the benefit of Reorganized Debtor, in each case, notwithstanding any provision in any such contract or lease or in applicable law (including those described in Sections 365(b)(2) and (f) of the Bankruptcy Code) that prohibits, restricts or conditions such transfer or that enables or requires termination or modification of such contract or lease.

(b) All documents, instruments and agreements, if any, each in form and substance satisfactory to Debtor, provided for or necessary to implement this Plan shall have been executed and delivered by the parties thereto, unless such execution or delivery has been waived by the party to be benefited thereby.

ARTICLE 9

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

9.1 Assumption and Rejection. Except as may otherwise be provided, all executory contracts and unexpired leases of Debtor which are not otherwise subject to a prior Bankruptcy Court order or pending motion before the Bankruptcy Court are assumed by Reorganized Debtor on the Effective Date; provided, however, that Debtor may file a notice of intent to reject any executory contract or unexpired lease at any time prior to the Effective Date. The Confirmation Order shall constitute an order authorizing assumption of all executory contracts and unexpired leases except those otherwise specifically rejected or otherwise provided for or subject to other Court Order or pending motion or notice. Reorganized Debtor shall promptly pay all amounts, if

any, required under Section 365 of the Bankruptcy Code to cure any defaults for executory contracts and unexpired leases being assumed by performing its obligations from and after the Effective Date in the ordinary course of business.

9.2 Assignment. To the extent necessary, all assumed executory contracts and unexpired leases shall be deemed assigned to Reorganized Debtor as of the Effective Date. The Confirmation Order shall constitute an order authorizing such assignment of assumed executory contracts and unexpired leases, and no further assignment documentation shall be necessary to effectuate such assignment.

9.3 Rejection Claims. Rejection Claims must be Filed no later than 30 days after the entry of the order rejecting the executory contract or unexpired lease or 30 days after the entry of the Confirmation Order, whichever is sooner. Any such Rejection Claim not Filed within such time shall be forever barred from asserting such Claim against Debtor, Reorganized Debtor, its property and estates. Each Rejection Claim resulting from such rejection shall constitute a General Unsecured Claim.

ARTICLE 10

EFFECT OF CONFIRMATION

10.1 Debtor's Injunction. To the extent the Plan is confirmed pursuant to Section 1191(a) of the Bankruptcy Code, the effect of confirmation shall be as set forth in Section 1141 of the Bankruptcy Code. To the extent the Plan is confirmed pursuant to Section 1191(b) of the Bankruptcy Code, the effect of confirmation shall be as set forth in Section 1192 of the Bankruptcy Code. Except as otherwise provided in the Plan or in the Confirmation Order, confirmation of the Plan shall act as a permanent injunction applicable to entities against (a) the commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against Reorganized Debtor that was or could have been commenced before the entry of the Confirmation Order, (b) the enforcement against Reorganized Debtor or its assets of a judgment obtained before the Petition

1 Date, and (c) any act to obtain possession of or to exercise control over, or to create, perfect or
2 enforce a lien upon all or any part of the assets.

3 **ARTICLE 11**

4 **RETENTION OF JURISDICTION**

5 11.1 Notwithstanding the entry of the Confirmation Order, the Court shall retain
6 jurisdiction of this Chapter 11 Case pursuant to and for the purposes set forth in Section 1193(b)
7 of the Bankruptcy Code:

8 (a) to classify the Claim or interest of any Creditor or stockholder, reexamine
9 Claims or Interests which have been owed for voting purposes and determine any objections that
10 may be Filed to Claims or Interests,

11 (b) to determine requests for payment of Claims entitled to priority under
12 Section 507(a) of the Bankruptcy Code, including compensation and reimbursement of expenses
13 in favor of professionals employed in this Bankruptcy Case,

14 (c) to avoid transfers or obligations to subordinate Claims under Chapter 5 of
15 the Bankruptcy Code,

16 (d) to approve the assumption, assignment, or rejection of an executory
17 contract or an unexpired lease pursuant to this Plan,

18 (e) to resolve controversies and disputes regarding the interpretation of this
19 Plan,

20 (f) to implement the provisions of this Plan and enter orders in aid of
21 confirmation,

22 (g) to determine the validity, priority, or extent of any claim or claim of lien,

23 (h) to adjudicate adversary proceedings and contested matters pending or
24 hereafter commenced in this Bankruptcy Case, and

25 (i) to enter a final decree closing this Bankruptcy Case.
26

11.2 If the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction over any matter arising under, arising in, or related to the Chapter 11 Case, this Article shall not prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such subject matter.

ARTICLE 12

ADMINISTRATIVE PROVISIONS

12.1 Modification or Withdrawal of the Plan. Debtor may modify the Plan at any time before confirmation of the Plan pursuant to Section 1193(a) of the Bankruptcy Code. If the Plan is confirmed under Section 1191(a) of the Bankruptcy Code, Debtor may also seek to modify the Plan at any time after confirmation only if (a) the Plan has not been substantially consummated and (b) the Bankruptcy Court authorizes the proposed modifications after notice and a hearing. If the Plan is confirmed under section 1191(b), the Debtor may seek to modify the Plan at any time over the term of the Plan.

12.2 Revocation or Withdrawal of Plan

12.2.1. Right to Revoke. Debtor reserves the right to revoke or withdraw the Plan at any time prior to the Effective Date.

12.2.2. Effect of Withdrawal or Revocation. If Debtor revokes or withdraws the Plan prior to the Effective Date, then the Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any claims by or against Debtor or any other Entity or to prejudice in any manner the rights of Debtor or any Entity in any further proceeding involving Debtor.

12.3 Nonconsensual Confirmation. Debtor shall request that the Bankruptcy Court confirm the Plan pursuant to Section 1191(b) of the Bankruptcy Code if the requirements of all provisions of Section 1129(a) of the Bankruptcy Code, except subsections 1129(a)(8), (10) and (15) are met.

1 **ARTICLE 13**

2 **MISCELLANEOUS PROVISIONS**

3 13.1 Rights of Action. Except as otherwise expressly provided herein, any claims,
 4 rights, interests, causes of action, defenses, counterclaims, cross-claims, third-party claims, or
 5 rights of offset, recoupment, subrogation or subordination including, without limitation, claims
 6 under Section 550(a) of the bankruptcy Code or any of the sections referenced therein (including,
 7 without limitation, any and all Avoidance Actions) accruing to Debtor shall remain assets of
 8 Reorganized Debtor. Reorganized Debtor may pursue such rights of action, as appropriate, in
 9 accordance with what is in its best interests and for its benefit.

10 13.2 Governing Law. Except to the extent the Bankruptcy Code, the Bankruptcy Rules
 11 or other federal laws are applicable, the laws of the State of Oregon shall govern the construction
 12 and implementation of the Plan, and all rights and obligations arising under the Plan.

13 13.3 Withholding and Reporting Requirements. In connection with the Plan and all
 14 instruments issued in connection therewith and distributions thereon, Debtor and Reorganized
 15 Debtor shall comply with all withholding, reporting, certification and information requirements
 16 imposed by any federal, state, local or foreign taxing authorities and all distributions hereunder
 17 shall, to the extent applicable, be subject to any such withholding, reporting, certification and
 18 information requirements. Entities entitled to receive distributions hereunder shall, as a
 19 condition to receiving such distributions, provide such information and take such steps as
 20 Reorganized Debtor may reasonably require to ensure compliance with such withholding and
 21 reporting requirements, and to enable Reorganized Debtor to obtain the certifications and
 22 information as may be necessary or appropriate to satisfy the provisions of any tax law.

23 13.4 Time. Unless otherwise specified herein, in computing any period of time
 24 prescribed or allowed by the Plan, the day of the act or event from which the designated period
 25 begins to run shall not be included. The last day of the period so computed shall be included,
 26

1 unless it is not a Business Day, in which event the period runs until the end of the next
 2 succeeding day which is a Business Day.

3 13.5 Severability. In the event that any provision of the Plan is determined to be
 4 unenforceable, such determination shall not limit or affect the enforceability and operative effect
 5 of any other provisions of the Plan. To the extent that any provision of the Plan would, by its
 6 inclusion in the Plan, prevent or preclude the Bankruptcy Court from entering the Confirmation
 7 Order, the Bankruptcy Court, on the request of Debtor, may modify or amend such provision, in
 8 whole or in part, as necessary to cure any defect or remove any impediment to the confirmation
 9 of the Plan existing by reason of such provision.

10 13.6 Binding Effect. The provisions of the Plan shall bind Debtor, Reorganized Debtor
 11 and all holders of Claims and Interests, and their respective successors, heirs and assigns.
 12 Notwithstanding anything herein, Debtor reserves the right to prepay Allowed Claims.

13 13.7 Recordable Order. The Confirmation Order shall be deemed to be in recordable
 14 form, and shall be accepted by any recording officer for filing and recording purposes without
 15 further or additional orders, certifications or other supporting documents.

16 13.8 Plan Controls. In the event and to the extent that any provision of the Plan is
 17 inconsistent with any other instrument or agreement contemplated to be executed pursuant to the
 18 Plan, the provisions of the Plan shall control and take precedence.

19 13.9 Effectuating Documents and Further Transactions. Debtor and Reorganized
 20 Debtor shall execute, deliver, file or record such contracts, instruments, assignments, and other
 21 agreements or documents, if any, and take or direct such actions, as may be necessary or
 22 appropriate to effectuate and further evidence the terms and conditions of this Plan.

23 ARTICLE 14

24 DISCHARGE

25 14.1 If Debtor's Plan is confirmed under 11 U.S.C. § 1191(a), on the Effective Date of
 26 the Plan, Debtor will be discharged from any debt that arose before confirmation of this Plan, to

1 the extent specified in 11 U.S.C. § 1141(d)(1)(A) of the Code, except that Debtor will not be
 2 discharged of any debt (i) imposed by this Plan; or (ii) to the extent provided in 11 U.S.C.
 3 § 1141(d)(6).

4 14.2 If Debtor's Plan is confirmed under 11 U.S.C. § 1191(b), confirmation of this
 5 Plan does not discharge any debt provided for in this Plan until the Bankruptcy Court grants a
 6 discharge on completion of all payments due within the first three years of this Plan, or such
 7 longer period not to exceed five years as fixed by the Court. Debtor will not be discharged from
 8 any debt (i) on which the last payment is due after the first three years of the plan, or such other
 9 time not to exceed five years as fixed by the Court or (ii) excepted from discharge under § 523(a)
 10 of the Code, except as provided in Rule 4007(c) of the Federal Rules of Bankruptcy Procedure.

11 DATED: March 8, 2024.

12 Respectfully submitted,

13 MAGNO, L.L.C.

14
 15 By: /s/ Richard S. Humphries
 16 Richard S. Humphries, Manager

17 Presented by:
 18 TONKON TORP LLP

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24 Attorneys for Debtor
 25
 26

EXHIBIT 1 – LIQUIDATION ANALYSIS

Total Assets (Value of Real Property):	9,268,830 ¹
Less Broker Fees and closing costs (6%)	(556,129.80)
Net Available to Creditors	8,712,700.20
Less Real Property Taxes Owning	(71,816.65)
Net Available to Creditors	8,640,883.55
Less Remaining Secured Claims	
PacWest	(2,986,763.27) ²
Bowden	(127,919.18) ³
Net Available After Payment of Secured Claims	5,526,201.10
Less Unsecured Priority Claims	(100.00) ⁴
Net Available After Payment of Priority Claims	5,526,101.10
Total General Unsecured Claims	169,808.98 ⁵
Total Distributions to Unsecured Creditors	100%

¹ Amount is real market value for Real Property as set out in 2023 Washington County property tax statements.

² Amount based on Proof of Claim 1 filed by PacWest.

³ Amount based on Proof of Claim 3 filed by Bowden; subject to objection.

⁴ Amount based on Amended Proof of Claim 4 filed by IRS; subject to objection.

⁵ Unsecured Claims are based on Debtor's Schedule F and filed Proofs of Claim; subject to objection.

Exhibit 2 - Page 1 of 1